

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In Re:	§	
	§	
DEEP MARINE HOLDINGS, INC.,	§	Case No. 09-39313
et al.	§	
	§	
Debtors.	§	Jointly Administered
		Chapter 11

**EXPEDITED MOTION TO AMEND DEBTOR-IN-POSSESSION
FINANCING AGREEMENT**

A HEARING WILL BE CONDUCTED ON THIS MATTER ON APRIL 21, 2010, AT 3:00 P.M. IN COURTROOM 404, 515 RUSK, HOUSTON, TEXAS 77002. IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-THREE DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING UNLESS YOU DID NOT RECEIVE THIS NOTICE IN TIME TO DO SO. IN THAT SITUATION, FILE YOUR RESPONSE AS SOON AS POSSIBLE. IN ADDITION TO FILING YOUR RESPONSE WITH THE CLERK, YOU MUST GIVE A COPY OF YOUR RESPONSE TO THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

The above-captioned debtors and debtors-in-possession (together, the “Debtors”), by and through their undersigned attorneys, hereby file this motion (the “Motion”) to amend the debtor-in-possession financing agreement previously approved by this Court, and in support thereof, the Debtors would show as follows:

I. JURISDICTION

1. This Court has jurisdiction over these cases and this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

II. RELEVANT BACKGROUND

2. On January 6, 2010, the Court entered its Final Order Pursuant to 11 U.S.C. §§ 105, 362, 363, and 364 and Bankruptcy Rules 2002, 4001, and 9014 (I) Authorizing the Debtors to Obtain Post-Petition Secured Financing, (II) Granting Security Interests and Superpriority Claims, and (III) Scheduling Final Hearing (the "Final DIP Order") (doc. no. 117, attached hereto as **Exhibit A**).

3. Pursuant to the Final DIP Order, the Debtors were authorized to borrow up to an aggregate principal amount of \$3.1 million, plus fees, costs and expenses in accordance with the Final DIP Order and the terms of the loan and security agreement (and related credit documents) (the "DIP Documents")¹ between the Debtors and SunChase Holdings, Inc. (the "DIP Lender").

4. The Final DIP Order also granted the DIP Lender certain liens and superpriority claims to secure the Debtors' obligations under the DIP Documents.

5. Attached to the Final DIP Order is a forecast prepared by the Debtors of cash receipts and disbursements for the period ending July 2, 2010 (the "DIP Budget"). The DIP Budget anticipates significant cash receipts of pre-petition accounts receivable.

III. RELIEF REQUESTED

6. The Debtors request permission to amend the DIP Documents to allow an increase in the aggregate principal amount that they can borrow under the DIP Documents by \$1.5 million. Additionally, the Debtors request permission to add an "Amendment Fee" of

¹ The DIP Documents were filed with the Court on January 1, 2010, at doc. no. 106.

\$50,000.00 to the principal balance outstanding under the DIP Documents. The Debtors propose that all other terms of the DIP Documents and Final DIP Order remain unchanged. For the avoidance of doubt, the additional amounts advanced by the DIP Lender to the Debtors shall be entitled to the same liens and priority claim status granted to the DIP Lender under the Final DIP Order.

7. The Debtors also request permission to execute a supplement to the preferred ship mortgage previously granted to the DIP Lender, to reflect the additional amounts advanced by the DIP Lender, which supplement will be recorded with the National Vessel Documentation Office of the United States Coast Guard.

IV. BASIS FOR RELIEF

8. As forecasted in the DIP Budget, the Debtors anticipated significant collections of pre-petition accounts receivable by this point in the Debtors' bankruptcy cases. Specifically, it was projected that the Debtors would collect approximately \$3.2 million in receivables by April 2, 2010. Of that amount, approximately \$2.1 million was projected to come into the estates (following satisfaction of PNC Bank's lien on accounts receivable) and be available for operational expenses.

9. As of this filing, despite significant efforts by the Debtors, the Debtors have not been able to collect their most substantial accounts receivable. While the Debtors will continue to use their best efforts to resolve outstanding accounts receivable as economically as possible, it appears that the Debtors may have no choice but to initiate formal legal proceedings against numerous account-debtors. Given these developments, the Debtors are in need of the liquidity infusion requested herein.

10. A proposed revised DIP budget (the "Revised DIP Budget") is attached hereto as **Exhibit B**.

WHEREFORE, premises considered, the Debtors request that this Court enter an order (i) authorizing the Debtors to amend the DIP Documents such that the aggregate principal amount that the Debtors can borrow under the DIP Documents is increased by \$1.5 million, (ii) authorizing the Debtors to add an Amendment Fee of \$50,000 to the principal balance outstanding under the DIP Documents, (iii) authorizing the Debtors to execute a supplement to the preferred ship mortgage, (iv) providing that all other terms of the DIP Documents and DIP Final Order remain unchanged, and (v) granting such other and further relief as the Court may deem just and proper.

Respectfully submitted,

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ATTORNEYS FOR THE DEBTORS

CERTIFICATE OF SERVICE

The undersigned certifies that on April 2, 2010, a true and correct copy of this document was served on the parties on the attached master service list by electronic means as listed on the court's ECF noticing system, and by electronic mail as indicated.

/s/ Jason G. Cohen

Jason G. Cohen